

CITY OF TORRANCE
DEFERRED COMPENSATION PLAN COMMITTEE
June 30, 2014 SPECIAL MEETING MINUTES

Members Present: Ms. Dana Cortez – City Treasurer
Mr. John Fellows – City Attorney
Ms. Leyta Fuentes – Operations/HR Manager
Ms. Mary Giordano – Assistant City Manager
Mr. Eric Tsao – Finance Director

Guests: Mr. Javier Obando, Ms. Cathe Tocher, Ms. Carol Say, and Mr. John Borne (*via conference call*) – Great-West Retirement Services

Committee Consultants: Mr. John Campbell and Mr. Evan Pickering (*via conference call*) - Benefit Funding Services Group (“BFSG”)

CALL TO ORDER

The specially called meeting of the Deferred Compensation Committee (the “Committee”) was called to order at 11:00am.

ROLL CALL

All members of the Committee were present for the entirety of the meeting: Ms. Dana Cortez, Mr. John Fellows, Ms. Leyta Fuentes, Ms. Mary Giordano, and Mr. Eric Tsao.

INVESTMENT MEETING

I. Stable Value Fund Review / Investment Policy Discussion

As a follow-up to the discussion held during the June 10, 2014 Committee meeting, the Committee discussed the original proposed changes to the Stable Value Fund Investment Policy Statement (“IPS”), as well as an updated proposal consisting of abbreviated changes to the IPS.

Ms. Tocher, who serves as CIO, Senior VP, and Global Head of Portfolio Management at Great-West Financial Segregated Funds, helped to facilitate the discussion by presenting an analysis regarding the potential impact of the proposed changes to the City’s Stable Value Fund. Her presentation included a discussion on portfolio composition; interest rate shock analysis; intermediate corporate index rating exposure; and cash flow run-off patterns.

After discussion, the Committee requested additional information on items such as bond rating upgrades and downgrades, sector yields, and asset class ratings. Upon receipt of the requested information, the Committee will review and subsequently reconvene to further discuss the proposed changes.

Great-West will provide the Committee with the requested information. The Committee, Great-West, and BFSG will work to schedule a follow up meeting to discuss the updated material and continue discussion regarding the proposed updates to the Investment Policy Statement.

CLOSING

A motion to adjourn the Deferred Compensation Committee meeting was unanimously approved by all Committee members present at the meeting: Ms. Cortez, Mr. Fellows, Ms. Fuentes, Ms. Giordano, and Mr. Tsao. The meeting adjourned at 11:35 pm.

MOTION APPROVED, Deferred Compensation Plan Committee meeting adjourned.